GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:484
ANSWERED ON:25.07.2001
CHANGE IN GADGIL MUKHERJEE FORMULA
RAGHUVANSH PRASAD SINGH;SUKDEO PASWAN

Will the Minister of PLANNING be pleased to state:

(a) whether the Government have agreed to make changes in the Gadgil-Mukherjee formulafor allocation of Central assistance for the State Plans as demanded by the State Governments;

(b) if so, the views expressed by the State Governments thereon and the reaction of the Union Government thereto;

(c) whether most of the State Governments have not submitted their Annual Plan for scrutiny;

(d) if so, the details thereof and reasons therefor;

(e) whether the Government have enquired into for non-cooperation on the part of State Governments;

(f) if so, the details thereof; and

g) the mechanism the Union Government propose to take for approving the Annual Plans ofthe States under the Plan expenditure during the current year?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN TH MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a): Yes, Sir. The States have sought a revision in the Gadgil Formula for allocation ofNormal Central Assistance (NCA) to States. However, a revision of the Formula requires the approval of National Development Council.

(b): There is wide divergence in the views amongst the States in this regard. In general, whilethe advanced States have sought higher weightage for Performance, the less advanced States have sought higher weightage for backwardness.

(c) to (f): The Annual Plan 2001-02 of the States are being finalized at the Chief Minister −Deputy Chairman, Planning Commission level discussions.

(g): The Annual Plan size is finalised at the Deputy Chairman − Chief Minister level discussions based on States` Own Resources and the available resources with the Centre for plan financing. In addition the performance of the States in realisation of plan targets, progress in fiscal management, revenue effort and performance in national objectives are also taken into account.